

## Message Text

UNCLASSIFIED

PAGE 01 EC BRU 09750 111936Z

73

ACTION EUR-12

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EB-07 FRB-01 INR-07 NSAE-00 RSC-01 CIEP-02 SP-02

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SUBJECT: EC COUNCIL OF AGRICULTURAL MINISTERS MEETING, DECEMBER  
9-10, 1974

REF: (A) EC BRUSSELS 9618; (B) EC BRUSSELS 9274; (C) EC  
BRUSSELS 9661 (D) EC A-374

1. BEGIN SUMMARY: THE EC COUNCIL OF AGRICULTURAL MINISTERS  
ENDED ITS DEC. 9-10 MEETING EARLY ON THE SECOND DAY AFTER A  
PRELIMINARY EXCHANGE ON THE COMMISSION'S PRICE PROPOSALS FOR  
THE 1975/76 SEASON (REF. A) AND AGREEMENT ON ALL BUT ONE OF THE  
REMAINING PROVISIONS FOR NEXT YEAR'S EC SUGAR REGIME(REF. B).  
THE COMMON SYSTEM FOR PROCESSED FRUITS AND VEGETABLES  
(M.I.P.'S) AND THE LIST OF THIRD COUNTRIES WHICH MEET EC  
VETERINARY AND HEALTH REQUIREMENTS FOR BEEF AND PORK IMPORTS  
WERE NOT DISCUSSED AT THIS MEETING AND WILL COME UP AT A  
LATER SESSION. END SUMMARY.

2. IN AN UNCHARACTERISTICALLY SHORT SESSION BY AGRICULTURAL  
MINISTERS' STANDARDS, THE COUNCIL ENDED ITS MEETING IN THE  
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PAGE 02 EC BRU 09750 111936Z

EARLY AFTERNOON OF DECEMBER 10, DUE TO THE PHYSICAL MALAISE

OF CHAIRMAN BONNET. THE COUNCIL COMPLETED ONLY A FEW OF ITS AGENDA ITEMS. SUBJECTS NOT DISCUSSED INCLUDED THE PROPOSED MINIMUM IMPORT PRICE SYSTEM FOR PROCESSED FRUITS AND VEGETABLES.

3. SOME MEMBER STATE REPRESENTATIVES, NOTABLY FRG MINISTER ERTL, WERE RELUCTANT IN THE FIRST DAY'S MEETING TO VOICE ANY VIEWS ON THE COMMISSION'S PROPOSALS FOR AN AVERAGE 10 PERCENT INCREASE IN SUPPORT PRICES FOR 1975/76. THEY COMPLAINED ABOUT THE COMMISSION'S TARDINESS IN MAKING THE PROPOSALS AVAILABLE IN LANGUAGES OTHER THAN FRENCH. HOWEVER, ON THE MORNING OF DECEMBER 10, A PRELIMINARY EXCHANGE ON THE PRICE PROPOSALS TOOK PLACE. THE MINISTERS ANTICIPATE CONTINUING THE DISCUSSION IN AT LEAST TWO LENGTHY MARATHON SESSIONS NEXT JANUARY 13/14 AND 20/21.

4. THE VARIOUS MEMBER STATE POSITIONS APPEARED TO BE AS FOLLOWS:  
--GERMANY IS OPPOSED TO THE COMMISSION'S PROPOSAL FOR "DEMOBILIZATION" OF THE MONETARY COMPENSATORY AMOUNTS, WHICH WOULD MEAN LOWER PRICE INCREASES FOR GERMANY THAN THOSE FOR THE OTHER MEMBER STATES. MINISTER ERTL STATED THAT IT WAS AN ILLUSION TO THINK THE COMMUNITY IS NOW READY FOR CLOSE MONETARY UNION AND LABELLED AS UNSTABLE A PROPOSAL THAT WOULD GIVE HIGHER SUPPORT PRICES TO MEMBER STATES WITH THE HIGHEST INFLATION RATES.

--DENMARK WAS CONCERNED THAT THE COMMISSION'S PROPOSALS FOR CERTAIN PRODUCTS WERE BASED ON SHORT-TERM PROBLEMS (E.G. GRAINS) AND IN THE LONG-TERM COULD LEAD TO UNDESIRABLE SURPLUSES. THE DANISH MINISTER THOUGHT THAT THE PROPOSED BEEF PREMIUM OF 30 U.A. PER HEAD BEARS UNFORTUNATE RESEMBLANCE TO A DEFICIENCY PAYMENTS SYSTEM.

--BELGIUM OPPOSED THE CHANGES IN THE MONETARY COMPENSATORY AMOUNTS AND QUESTIONED THE DESIRABILITY OF LOWER PRICE INCREASES FOR LIVESTOCK PRODUCTS VIS-A-VIS CEREALS.

--THE U.K. CALLED ATTENTION TO THE INFLATIONARY CONSEQUENCES OF HIGHER SUPPORT PRICES. MINISTER PEART SAID HE THOUGHT THE PROPOSED GRAIN PRICES WERE TOO HIGH AND WOULD LEAD TO HIGHER PRICES FOR LIVESTOCK PRODUCTS AND LONG-TERM GRAIN SURPLUSES. ON THE NEW BEEF REGIME, THE U.K. FEELS THAT THE PROPOSED LEVEL OF INTERVENTION PRICES IS STILL SET TOO HIGH, AND THAT MEMBER STATES SHOULD HAVE DISCRETIONARY POWER TO INTERVENE OR  
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PAGE 03 EC BRU 09750 111936Z

TO USE OTHER NATIONAL AIDS, I.E., DEFICIENCY PAYMENTS. PEART ALSO SAID HE THOUGHT THE PROPOSED MILK TARGET PRICE WAS TOO HIGH.

--THE NETHERLANDS WENT ALONG WITH THE MONETARY COMPENSATORY AMOUNT PROPOSALS, WHICH WOULD MEAN IN EFFECT LOWER SUPPORT PRICE INCREASES FOR ITS FARMERS. IT ALSO APPEARED FAVORABLE TO THE PROPOSED BEEF REGIME.

--LUXEMBOURG WONDERED WHETHER THE COUNCIL WAS NOT LINKING ITS

DISCUSSION OF THE PRICE PROPOSALS WITH THE UPCOMING STOCK-TAKING OF THE CAP.

--ITALY QUESTIONED WHY THE COMMISSION HAD PROPOSED LOWER PRICES IN THE CEREALS SECTOR FOR DURUM WHEAT AND RICE. IT ALSO THOUGHT THAT FOR CERTAIN SECTORS NATIONAL AIRDS SHOULD BE CONSIDERED RATHER THAN INCREASED PRICES, WHICH TEND TO OVER-STIMULATE PRODUCTION.

--IRELAND APPROVES OF THE BEEF PREMIUM BUT WANTS HIGHER INTERVENTION PRICES AND BETTER MONITORING OF THIRD COUNTRY IMPORTS. IT ALSO WANTS A NEW DEVALUATION OF THE IRISH GREEN POUND.

--FRANCE BELIEVES THAT THE COMMISSION'S PRICE PROPOSAL, WHICH WOULD GIVE IT AN AVERAGE 13.5 PERCENT INCREASE, PARTLY AS A RESULT OF THE DEVALUATION OF THE GREEN FRANCE, TO BE A GOOD STARTING POINT. IT WANTS HIGHER PRICES FOR THE LIVESTOCK SECTOR, HOWEVER, AND CONSIDERS THE BEEF INTERVENTION PRICES UNACCEPTABLE.

5. EC COMMISSIONER LARDINOIS HELD FIRM TO HIS PROPOSALS FOR AGRICULTURAL PRICES AND OTHER RELATED MEASURES.

6. THE COUNCIL FINISHED UP THE REMAINING TECHNICAL PROVISIONS FOR NEXT YEAR'S EC SUGAR REGIME (REFTEL B), EXCEPT FOR THE BRITISH REFINING MARGIN, WHICH GOES TO A SPECIAL WORKING GROUP FOR DISCUSSION. AMONG THE PROVISIONS APPROVED IS ONE EMPOWERING INTERVENTION AGENCIES TO BUY SUGAR ON THE EC MARKET NEXT YEAR. THIS WILL ALLOW BRITISH TRADERS, WHO HAVE BID ON THE IMPORT SUBSIDY, TO PURCHASE SUGAR FOR EXPORT. (THIS TRADE OFF BETWEEN THIS YEAR'S IMPORTS AND NEXT YEAR'S EXPORTS IS ONE OF THE INDUCEMENTS FOR BIDS UNDER THE SUGAR IMPORT SUBSIDY PROGRAM.)

7. COMMISSIONER LARDINOIS GAVE AN ORAL PRESENTATION OF THE UNCLASSIFIED

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PAGE 04 EC BRU 09750 111936Z

COMMISSION'S PROPOSAL FOR EMERGENCY MEASURES TO CONSERVE SUGAR (REF. C). NO SUBSTANTIVE REACTIONS FROM THE NATIONAL DELEGATIONS WERE REPORTED.

8. THE COUNCIL ALSO AGREED ON THE 1975/76 SUPPORT PRICES FOR FISH.GREENWALD

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## Message Attributes

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